Pet 14 Libya

Department of State TELEGRAM

167

CONFIDENTIAL 299

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EXCISE

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ACTION E-11

INFO OCT-01 AF-08 EUR-14 NEA-09 COM-08 INT-06 OEP-01 JUS-02
AID-20 CIAE-00 FRB-02 INR-06 NSAE-00 RSC-01 TRSE-00
XMB-06 OPIC-12 CIEP-01 LAB-06 SIL-01 SAL-02 OMB-01
INRE-00 DODE-00 PM-06 H-02 L-03 NSC-10 P-03 PRS-01
SS-14 USIA-12 RSR-01 /170 W
079263

P R 301300Z NOV 71
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 9321
INFO AMEMBASSY LAGOS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY C/ DATE 6/22/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L LONDON 10906

SUBJECT: LIBYAN OIL DOLLAR PARITY ISSUE

1. WE ARE INFORMED THAT AT NOVEMBER 29 MEETING LONDON GROUP, AS EXPECTED, CONFIRMED EARLIER AGREEMENT THAT COMPANIES WOULD MAKE NOVEMBER 30 PAYMENTS ON BASIS AVERAGE COMMERCIAL RATE RATHER THAN ON BASIS LARG FORMULA.

2. [redacted] COMPANIES STRONGLY SUPPORTED PROPOSITION THAT COMPANIES SHOULD CLAIM AS CREDIT IN FUTURE PAYMENTS (I.E. DEDUCT) ANY AMOUNTS WHICH LARG MAY SEQUESTER FROM BANK ACCOUNTS AND THIS WAS FINALLY AGREED. REPORTEDLY ESSO WILL DEDUCT FROM ITS NOVEMBER 30 PAYMENT AMOUNT ALREADY SEQUESTERED.

3. IN NEW DEVELOPMENT OCCIDENTAL REPORTED RECEIPT OF LETTER DEMANDING PAYMENT OF ADDITIONAL AMOUNT LARG CLAIMS UNDER APPLICATION ITS PAYMENT FORMULA. WE HAVE NOT SEEN TEXT BUT ARE TOLD LETTER WAS "ROUGH" AND CARRIED IMPLICATION OF ACTION AGAINST OXY'S CONCESSION.

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4. OUR SOURCE SAID THAT LONDON GROUP EXPECTS [redacted] B4

ANNENBERG